

ASSOCIATED LABOR UNION, PETITIONERS, VS. COURT OF INDUSTRIAL RELATIONS AND GOODYEAR TEXTILE MFG. CO., RESPONDENTS.

G.R. No. L-31727. May 30, 1973

Ponente: MAKALINTAL, ACTING CJ.

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MAKALINTAL, ACTING CJ.:

This appeal by certiorari questions the dismissal of Case No. 2518-V which was filed before the Court of Industrial Relations pursuant to an endorsement by the Secretary of Labor under the authority granted to him by the provisions of Section 16(c) of the Minimum Wage Law.

The events relating to the labor dispute are as follows:

On October 9, 1967 the Associated Labor Union (ALU for short) sent a letter to Ng Tay, general manager of the Goodyear Textile Manufacturing Co., requesting that a conference be held —

"to thresh out matters relative to the terms and conditions of work of your workers as follows:

1. exclusive union recognition
2. union security
3. security of employment
4. hours of work
5. standardization of salaries
6. vacation and sick leave
7. grievance procedure
8. other fringe benefits which we will request in our negotiation."

On various dates in October 1967 ALU protested to the company against the dismissal of certain employees holding positions in the union management and requested their reinstatement. The company, in a letter sent by its lawyer, defended the legality of the dismissal and called attention to the fact that the company had an existing collective bargaining agreement with another union, the Goodyear Textile United Workers Organization.

A notice of strike, stamp-marked October 10, 1967, was filed by ALU with the Department of Labor, enumerating the following grievances:

- "1. Union busting activities;
2. Coercing union members from joining the union or forcing them to resign under threat of dismissal;
3. Refusal to bargain;

4. Violation of the Minimum Wage Law and the Social Security Act."

The strike was called on October 25, 1967 in spite of conciliation conferences conducted by the Department of Labor. The conferences, which lasted from October to December 1967, never progressed beyond the issue of union recognition which, according to the lower court, the company insisted should be threshed out ahead of the other grievances.

Even while the conferences were going on ALU and the company exchanged charges of unfair labor practice in the Industrial Court. Charge No. 2163-ULP for union busting was filed by ALU on October 17, 1967, but the charge was dismissed after preliminary investigation. The company also filed Case No. 4924 - ULP against the union for staging an illegal strike.

On January 9, 1968 the Secretary of Labor, invoking the provisions of Section 16(c) of the Minimum Wage Law, endorsed the labor dispute to the Industrial Court for adjudication and settlement on the ground that:

"The said labor dispute has resulted in an actual strike which has been going on since October 25, 1967. One of the issues involves a demand for the payment of the statutory minimum wage of the employees. Despite repeated conciliation efforts by this Department, the parties failed to reach and, in all likelihood will not be able to reach, an amicable settlement of the dispute."

The letter-endorsement was docketed as Case No. 2518-V and assigned to Sala I of the Court of Industrial Relations for reception of evidence. A notice of hearing on January 19, 1968 was sent to the parties. The company filed a motion for postponement, which the court granted, but at the same time it directed the petitioner ALU to file a definition of issues.

ALU filed its definition of issues on January 24, 1968, stating: in paragraphs (3) and (4), that the company failed to implement the new statutory minimum wage rate, for which reason the union declared a strike on October 25, 1967, which strike was still unresolved as of the date of the filing of the case notwithstanding the conciliation and/or mediation efforts of the Department of Labor; in paragraph (5), that before the strike was declared the company dismissed without cause officers of the ALU management, which act tended toward busting petitioner union's existence; and in paragraph (6), that incident to its demand for implementation of the new minimum wage rate the union was asking for the improvement of working conditions designed toward promoting the employees' health, security and welfare.

The company filed its answer, alleging that it had an existing exclusive collective bargaining agreement with the Goodyear Textile United Workers Organization; that there was a pending unfair labor practice charge filed by ALU covering the same alleged illegal dismissals; and that the claim for minimum wage fell within the jurisdiction of ordinary courts.

A motion to dismiss was subsequently filed by the company reiterating the defenses alleged in the answer. A supplemental motion to dismiss followed, advancing another ground — that the conditions required before the labor dispute could be validly certified by the Secretary of Labor to the Court of Industrial Relations had not been complied with, and so the lower court did not acquire jurisdiction over the case.

ALU opposed the motion to dismiss, maintaining that the endorsement by the Secretary of Labor could not be inquired into by the Industrial Court and that the unfair labor practice alleged in its definition of issues was merely incidental to the main issue of minimum wages. The union also filed a motion for the issuance of an interlocutory order to re-admit all strikers pending determination of the case.

Several hearings on the motion to dismiss and the motion for an interlocutory order were conducted by the trial judge. The records of the conciliation conferences were produced and the testimonies of the labor conciliators

were taken. The company submitted its own exhibits, consisting of the communications between ALU and the company, a copy of the collective bargaining contract and the closed shop agreement with the Goodyear Textile United Workers Organization, as well as the payrolls of the company.

On November 25, 1969 the lower court, thru presiding Judge Martinez, dismissed the case upon its finding that the elements of a valid endorsement by the Secretary of Labor had not been complied with, because the minimum wage issue was never discussed during the conciliation conferences and therefore could not have been brought up before the Secretary of Labor for settlement; and that the evidence showed that there could not have been such an issue before the strike was declared. Judge Bugayong dissented from the en banc resolution on the ground that departmental courtesy demanded that the Court inhibit itself from inquiring into the procedure adopted by the Secretary of Labor indorsing the case to the court, and that the requirements of the law had been complied with. Judge Paredes also dissented on the ground that such compliance was present.

The law on the matter, Section 16(c) of Republic Act No. 602, provides:

"(c) Where the demands of minimum wages are involved in actual strike, the matter shall be submitted to the Secretary of Labor, who shall attempt to secure a settlement between the parties through conciliation. Should the Secretary fail within fifteen days to effect said settlement, he shall endorse the matter together with other issues involved, to the Court of Industrial Relations which shall acquire jurisdiction on the case including the minimum wages issue, and after a hearing where the views of the Secretary of Labor will be given, will decide the case in the same manner as provided in other cases. The decision shall be rendered by the court en banc within fifteen days after the case has been submitted for determination, and its finding of facts shall be conclusive if supported by substantial evidence, and shall be subject only to an appeal by certiorari."

Petitioner's position is that upon mere endorsement by the Secretary of Labor to the effect that there is a demand for minimum wages which is involved in an actual strike the Industrial Court may not disclaim jurisdiction to adjudicate and settle the said demand together with the other issues involved in the strike.

Section 16(c) of Republic Act No. 602 should be viewed in the light of the provisions of the Industrial Peace Act. Section 7 of this Act enunciates a policy of encouraging free enterprise and collective bargaining in the relations of labor and management. Court intervention in the fixing of conditions of employment is held to a minimum, in effect restricting the broad powers of arbitration given to the Court of Industrial Relations under Commonwealth Act No. 103. Excepted, from this policy of non-interference is, among other matters, the question of minimum wages under Section 16(c) of Republic Act No. 602; but this exception, in view of the policy thus enunciated, should be strictly applied, that is, to cases where the question of minimum wages involving an actual strike is clearly present. The Industrial Court is not devoid of authority to see to it that its jurisdiction under this provision is not indiscriminately invoked; otherwise the very exception may render the general rule on non-interference illusory. Section 16(c) states that once jurisdiction is established the Industrial Court "will decide the case in the same manner as provided in other cases," including the other issues involved in the strike.

Commonwealth Act No. 103, the Act creating the Court of Industrial Relations, vests it with certain powers not given to ordinary judicial courts. One of its distinctive characteristics as a quasi-judicial body is that in the conduct of hearings it is not bound by technical rules of procedure, but may proceed in any just and equitable manner as indicated in Section 7 of said Act, to wit:

"Sec. 7. The Court shall have the power to conduct hearing in any place for the determination of a question, matter or controversy within its jurisdiction, proceed to hear, and determine the dispute in the absence of any party thereto who has been summoned or served with notice to appear, conduct its proceedings or any part thereof in public or in private; adjourn its hearings to any time and place, refer any technical matter or matters of account to an expert and to accept his report as evidence, direct parties to be joined or stricken out from the

proceedings, correct, amend or waive any error, defect or irregularity, whether in substance or inform; extend any prescribed time; give all such directions as it may deem necessary or expedient in the determination of the dispute before it; and dismiss any matter or part of any matter, or refrain from hearing further or from determining the dispute or part thereof, where it is trivial or where further proceedings by the Court are not necessary or desirable."

Thus the dismissal of the case by the Industrial Court after the hearings on the motion to dismiss cannot be labeled as irregular. Under the facts brought out during these hearings the dismissal was justified. Not even a prima facie showing was made that a violation of the Minimum Wage Law had been committed, whether in the conciliation conferences in the Department of Labor or in the Industrial Court itself. It is pointed out by the private respondents that Section 16(c) was availed of only as a ruse to circumvent the more stringent requirements of the Industrial Peace Act concerning the other more persistent demands of the union, as shown by the following circumstances: First, the labor dispute between the parties did not originally involve any demand for minimum wages, but rather charges of union busting, illegal dismissals and union recognition of employee representation, as well as improvement of working conditions of the employees. Second, during the conciliation conferences the demand for minimum wages was never taken up because the parties persisted in discussing the issue of union recognition. In fact the report submitted by labor conciliator Vidal T. Roman, dated October 17, 1967, suggested that the parties submit to a consent election or file a petition for a certification election. Third, the company presented as exhibit its payrolls showing that it had been paying the statutory minimum wages to its employees. In the face of this evidence of compliance with the Minimum Wage Law ALU remained silent and stood pat on its argument that the mere endorsement by the Secretary of Labor necessarily placed the case within the jurisdiction of the Industrial Court, regardless of the absence of any serious attempt to show that a Minimum Wage Law violation was involved. Fourth, with respect to the other issues defined by ALU, such as illegal dismissals or union busting and improvement of working conditions, the evidence before the Court shows that further hearings would be futile. With respect to illegal dismissals, the same had already been the subject matter of Charge No. 2163-ULP which, upon investigation by the acting chief prosecutor of the court, was dismissed for lack of merit. In the matter of working conditions of employees, arbitration was certainly not desirable, as it would only create more problems than it would solve, since the company had an existing exclusive bargaining agreement with another union, the GUWO, which was the duly authorized bargaining agent of the employees. Sections 12 and 13 of the Industrial Peace Act provide for an appropriate method of dealing with questions concerning employees representation and collective bargaining, designed essentially to lessen the tensions between labor and management and to promote a more democratic manner of fixing working conditions. Certainly the Industrial Court has ample authority to discourage parties from resorting to short-cuts and questionable methods of obtaining their demands.

In view of the foregoing considerations, the order appealed from is affirmed.

Zaldivar, Ruiz Castro, Teehankee, Barredo, Makasiar, Antonio, and Esguerra, JJ., concur.

Fernando, J., concurs and in addition submits a brief separate opinion.

CONCURRING

FERNANDO, J.:

A perusal, even if far from searching or detailed, suffices to render evident the care and circumspection lavished by the Acting Chief Justice in his opinion for the Court. The facts are set forth with his usual economy of expression without sacrificing clarity. There can be no dissent, then, as to the legal conclusion that must follow in

the light of what did transpire. The holding thus arrived has the imprint of the inevitable. The law cannot be satisfied with any other outcome.

As a quasi-judicial agency, respondent Court, which is not bound by technical rules of procedure, may dismiss a case certified to it by the Secretary of Labor after hearing the parties. Such a power has been exercised in this case, and as the opinion shows, the action taken "cannot be labeled as irregular." [1] As was made clear on the facts brought out, "the dismissal was justified." [2] What is more, as was stressed in the opinion: "Not even a prima facie showing was made that a violation of the Minimum Wage Law had been committed, whether in the conciliation conferences in the Department of Labor or in the Industrial Court itself." [3] There is more than justification for the assertion by private respondents that Section 16(c) of the Minimum Wage Law "was availed of only as a ruse to circumvent the more stringent requirements of the Industrial Peace Act concerning the other more persistent demands of the union, x x x." [4] Certainly, therefore, there is no room for any disagreement.

Why a separate concurrence then, it may be asked? In the opinion of the Acting Chief Justice, there is this paragraph: "Section 16 (c) of Republic Act No. 602 should be viewed in the light of the provisions of the Industrial Peace Act. Section 7 of this Act enunciates a policy of encouraging free enterprise and collective bargaining in the relations of labor and management. Court intervention in the fixing of conditions of employment is held to a minimum, in effect restricting the broad powers of arbitration given to the Court of Industrial Relations under Commonwealth Act No. 103. Excepted from this policy of non-interference is among other matters, the question of minimum wages under Section 16 (c) of Republic Act No. 602; but this exception, in view of the policy thus enunciated, should be strictly applied, that is, to cases where the question of minimum wages involving an actual strike is clearly present. The Industrial Court is not devoid of authority to see to it that its jurisdiction under this provision is not indiscriminately invoked; otherwise the very exception may render the general rule on non-interference illusory. Section 16 (c) states that once jurisdiction is established the Industrial Court 'will decide the case in the same manner as provided in other cases,' including the other issues involved in the strike." [5]

Last January, in *Philippine American Management Co., Inc. vs. The Philippine American Management Employees Asso.*, [6] the question before us as to the power of the Court of Industrial Relations in a case certified to it by the Secretary of Labor pursuant to the Minimum Wage Law to issue a return-to-work order pending the final outcome of the dispute was answered in the affirmative. In rejecting the contention that respondent Court should be denied such competence because of the possible conflict with the policy of free bargaining embodied in Section 7 of the Industrial Peace Act, we had occasion to state: "Moreover, there is a failure on the part of petitioners to accord the most careful appraisal of what is implicit in a regime of collective bargaining, the basic postulate of the present Industrial Peace Act. It thus enshrines industrial democracy in the sense that the parties, through the collective contract, could determine the rules that regulate labor management relations. Even then, there is an area placed beyond the sphere of bargaining between the parties. Included therein is the question of minimum wages. It is understandable why it should be so. For legislation of that character proceeds on the premise that there is a floor below which the amount paid labor should not fall. That is to assure decent living conditions. Such an enactment is compulsory in nature; not even the consent of the employees themselves suffices to defeat its operation. More plainly put, the question of minimum wage is not negotiable. What the law decrees must be obeyed. It is as simple as that. That is why it is obvious that petitioners cannot successfully invoke the principles associated with the institution of collective bargaining. Nor is this all. The approach followed by petitioners ignores a relevant provision of the Industrial Peace Act. There is thus set forth in categorical language an exception to the primordial concept underlying the Industrial Peace Act that working conditions are to be fixed not by respondent Court but by the parties themselves. With such an express recognition of the continuance of the role of respondent Court insofar as minimum wage is concerned, the argument that the crucial issue in this case,

namely whether it is within the jurisdiction of respondent Court to issue a return-to-work order, deserves an answer in the negative, falls flat." [7]

Certainly, a comparison of the above two excerpts would not disclose any conflict. It cannot be said then that the slightest difference manifests itself in the approach taken by this Court in the two above cases. It may not be amiss though to bear in mind this caveat. Where the Minimum Wage Law is concerned, the freedom of the parties associated with the Industrial Peace Act does not operate, or, if at all, at the most minimal level. At the very least then, this brief concurrence is not without its uses. It may avoid the likelihood of a casual or careless reader, for whom careful analysis does not hold any attraction and precision in the lineaments of a court's opinion not always fully attainable entertaining any false impression. It cannot be overemphasized that when the law commands an employer to pay the statutory minimum, there can be no thought of the parties being accorded the right to fix by themselves any different amount. The State has spoken. It has the power to do so. The moment it takes such a step, there the matter ends, and the parties must obey.

The thought, for me at least, bears repeating that the provision in the Minimum Wage Law that would empower the Court of Industrial Relations to assume competence preserves fully its role as an arbitral agency, the Industrial Peace Act to the contrary notwithstanding. There is nothing then in the able and impressive opinion of the Acting Chief Justice that should yield any nuance to the contrary. The regime of industrial democracy that is instituted under the basic labor law statute, Republic Act No. 875, does not stand in the way of full and unconditional submission to the dictate of the Minimum Wage Law, even if effected through the intervention of respondent Court. For some, these few words may be carrying the maxim, *ex abundante cautela*, further than is warranted. To my way of thinking though, and with full acknowledgment that what is written for the Court bears the impress of lucidity and the most careful craftsmanship, there is nothing lost in the elucidation of the obvious.

[1] Decision, 5.

[2] *Ibid.*

[3] *Ibid.*

[4] *Ibid.*

[5] *Ibid.*, 4-5.

[6] L-35254, January 29, 1973, 49 SCRA 194.

[7] *Ibid.*, 207-208.

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